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June 3, 1999

RECORDATION NO. 22179 FILED

JUN 4 '99 2-10PM

 Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Security Agreement, dated as of June 2, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower: Power Flats, Ltd.
1000 W. Ormsby Avenue
Louisville, Kentucky 40201

Secured Party: Bank One, Kentucky, on behalf
itself and Civitas Bank
416 West Jefferson Street
Louisville, Kentucky 40202

A description of the railroad equipment covered by the enclosed document is:

Nine (9) railcars set forth on Annex A attached hereto

Mr. Vernon A. Williams
June 3, 1999
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

Annex A

Cars

	<u>DESCRIPTION</u>	<u>SERIAL NUMBER</u>
1.	114 Ton 36' FD Flat Car	LNAL 45010
2.	125 Ton 22' FD Flat Car	LNAL 45011
3.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70986
4.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70987
5.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70988
6.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70989
7.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70990
8.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70991
9.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70992

RECORDATION NO.

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JUN 4 '99

2-10PM

SECURITY AGREEMENT

This is a Security Agreement dated as of June 2, 1999 (the "Agreement"), between:

BANK ONE, KENTUCKY, NA,
a national banking association ("Agent"),
on behalf of itself and Civitas Bank ("Lenders")
416 West Jefferson Street
Louisville, Kentucky 40202

and

POWER FLATS, LTD,
a Kentucky limited partnership ("Borrower")
1000 W. Ormsby Avenue, Suite 120
Louisville, Kentucky 40201

Recitals

A. The Borrower, the Agent, the Lenders and certain other parties are entering into a Loan Agreement dated as of May 24, 1999 (the "Loan Agreement") (to which the form of this Agreement is attached as Annex I), pursuant to which, among other things, the Lenders have agreed to provide the Borrower with the Line of Credit (as that term is defined in the Loan Agreement).

B. The Borrower is entering into this Agreement to secure the payment of the Line of Credit Loans, the Line of Credit Notes, the Term Loans, the Term Notes (in each case as defined in the Loan Agreement) and the Borrower's other obligations to the Lenders, including under the Notes, the Loan Agreement and the other Borrower Documents (as those terms are defined below).

C. This Agreement is being entered into concurrently with entering into the Loan Agreement and the other Borrower Documents, and the Lenders are agreeing to provide the Borrower with the Line of Credit in reliance upon the Borrower's obligations evidenced by this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement. The following terms shall have the following meanings, and the meanings assigned to all capitalized terms used herein shall be equally applicable to both the singular and plural forms of the terms defined:

"Borrower Documents" shall have the meaning given in the Loan Agreement.

"Closing Date" shall mean May 24, 1999.

"Car" shall mean each of the railcars identified by one of the rolling stock numbers on Annex A hereto, as that Annex A may be amended, substituted and/or supplemented from time to time.

"Car Management Agreement" shall mean the Railcar Management Agreement dated as of March 31, 1997, a copy of which is attached as Annex B to this Agreement, and pursuant to which Borrower will deliver the Cars to Manager, such Cars to be managed by Manager for the benefit of Borrower, as further described in Section 4 of this Agreement.

"Collateral" shall mean any and all of the property of Borrower in which Borrower grants Agent a security interest pursuant to Section 2 of this Agreement.

"Contract Rights" shall mean any and all contractual agreements between Borrower and any other party with respect to any of the Cars, including without limitation, any use and/or licensing and/or rental agreements relating to the Cars.

"Event of Default" shall have the meaning given it in Section 9 of this Agreement.

"Notes" shall have the meaning given in the Loan Agreement.

"Manager" shall mean OPM Flats, Inc., a Kentucky corporation, or, with the prior written consent of Agent, such other railroad as shall be the manager under a management contract between Borrower and such other railroad.

"New Cars" shall mean any Cars acquired by Borrower subsequent to the date hereof.

"STB" shall mean the United States Surface Transportation Board f/k/a the United States Interstate Commerce Commission.

"Secured Obligations" shall mean all of the obligations secured by this Agreement.

"Supplement" shall mean any Supplement to Security Agreement entered into between the Borrower and the Agent, for the benefit of the Lenders, from time to time. The form of a Supplement is attached to this Agreement as Annex C.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the Commonwealth of Kentucky.

"Use Agreement" shall have the meaning given it in Section 2(b)(4) of this Agreement.

"Use Obligations" shall mean all amounts paid and/or payable to, and/or received and/or receivables by Borrower, or by Manager as its agent, for car hire, mileage, use and destination fees and other similar fees with respect to the Cars and/or their use.

2. Grant of Security Interest and Assignment.

(a) Borrower grants to Agent a security interest in the following, whether now existing or arising or acquired after the date of this Agreement:

- (1) all of Borrower's right, title and interest in and to the Cars;
- (2) any property which Borrower receives or which Borrower is or may hereafter become entitled to receive on account of any sale, exchange, transfer or other disposition of the Cars;
- (3) all sums which become payable under any insurance covering the Collateral, including, but not limited to, the Cars;
- (4) to the extent assignable, all of Borrower's right, title and interest in, to and under any and all warranties, guaranties, and indemnities, whether express or implied, and all similar rights which Manager or Borrower may have under the Car Management Agreement against the manufacturer, or any other vendor, supplier, engineer, contractor, builder or maker of the Cars or any components thereof;
- (5) all of Borrower's right, title and interest in and to the Contract Rights and/or any Use Obligations, collections and/or other sums received and/or receivable in connection therewith; and
- (6) any property which Borrower receives or which Borrower is or may hereafter be entitled to receive on account of any collections of or with respect to the warranties, guaranties and indemnities described in clause (4) above.

(b) Borrower grants to Agent a security interest in the following, whether now existing or arising or acquired after the date of this Agreement, and assigns all interests thereunder to Agent:

- (1) all of Borrower's right, title and interest in, to and under the Car Management Agreement and/or all Contract Rights in which it now has, or in which it might later acquire any interest, including, without limitation, all Receipts with respect to the Cars;
- (2) all of Borrower's right, title and interest under any agreement through which Borrower or the Manager allows another entity to use the Cars (a "Car User");

(3) any property which Borrower receives or which Borrower is or may hereafter be entitled to receive on account of any collections of or with respect to the Car Management Agreement, and/or any instrument, document and/or chattel paper in payment of or substitution for the Car Management Agreement; and

(4) any property which Borrower receives or which Borrower is or hereafter may be entitled to receive on account of any collections of or with respect to an agreement through which a Car User obtains rights to use a Car (a "Use Agreement"), or any instrument, document and/or chattel paper in payment of or substitution for a Use Agreement.

(c) Borrower grants a further security interest to Agent in any New Cars.

(d) Borrower grants a further security interest to Agent in the proceeds or products of any sale, exchange, collection or other disposition of any of the foregoing described in (a), (b), or (c) above or any part thereof.

(e) All of the foregoing described in (a), (b), (c), and (d) above is the Collateral (the "Collateral").

3. Secured Obligations. The security interests granted by the Borrower hereby secure the payment and performance of all of the following Secured Obligations: (a) any and all indebtedness of the Borrower to the Lenders and/or the Agent evidenced by the Notes; (b) any and all of the representations, warranties, obligations, agreements, covenants and promises of the Borrower contained in the Loan Agreement, the Notes, the Pledge Agreement, this Agreement, and/or the other Borrower Documents, whether or not now or hereafter evidenced by any note, instrument or other writing; and (c) any and all indebtedness, obligations and liabilities of the Borrower to the Lenders and/or the Agent, however evidenced, whether now existing or hereafter arising, direct or indirect, absolute or contingent, or acquired by the Lenders and/or the Agent, including without limitation, any Obligations whether now existing or hereafter arising under the Loan Agreement, any and all other indebtedness, liabilities and obligations of Borrower to the Lenders and/or the Agent that exist on the date of this Agreement, regardless of whether of the same or of a different class or type as the indebtedness evidenced by the Notes and/or the other Borrower Documents, whether or not the creation thereof was reasonably foreseeable or would be naturally contemplated by the Borrower or the Lenders or the Agent as the date of this Agreement.

4. Car Management Agreement and Use Agreement Requirements. For so long as Borrower is not in Default under the Loan Agreement, this Agreement, the Notes or the other Borrower Documents, Borrower may enter into the Car Management Agreement with Manager and Use Agreements and shall permit such Car Management Agreement and Use Agreements to remain in effect, upon the terms and conditions described therein. In that regard, Borrower warrants and covenants as follows:

(a) Borrower confirms that it has entered into the Car Management Agreement, in the form attached hereto as Annex B.

(b) Borrower shall not modify, amend or terminate the Car Management Agreement without Agent's prior written consent.

(c) Borrower shall not enter into any lease, Use Agreement and/or other management agreement (other than the Car Management Agreement) with respect to one or more Cars without providing the Agent prior written notice. If Borrower does enter into a lease, Use Agreement and/or other management agreement with respect to one or more Cars, (1) Borrower shall be deemed to have assigned its interest under the lease or management agreement to Agent, and, if requested by Agent, shall confirm that assignment pursuant to an assignment in form and substance satisfactory to Agent, and (2) Agent shall have the right, but not the obligation, to give notice to any Car User of Agent's security interest therein.

(d) Borrower shall at all times cause the Car Management Agreement to remain in full force and effect, unless such agreement has expired in accordance with its terms.

5. Representations and Warranties. To induce Agent to enter into this Agreement, Borrower represents, warrants and agrees as follows:

(a) Borrower has full power and authority to enter into and perform this Agreement; this Agreement has been duly entered into and delivered and constitutes a legal, valid and binding obligation of Borrower enforceable in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally and by general principles of equity regardless of whether enforcement of any obligation therein mentioned is sought in a proceeding in equity or at law.

(b) Borrower has good and marketable title to the Collateral, and the Collateral is not subject to any lien, charge, pledge, encumbrance, claim or security interest other than the security interest created by this Agreement.

(c) Borrower's chief place of business is located in Louisville, Kentucky.

(d) Borrower has not, within the full four (4) months last preceding the Closing Date, changed its name or the location of its principal business and such Collateral has been, is, and will be used for business use only, and as described in Section 4 of this Agreement.

(e) No consent, waiver, order, license, permit or approval of any Person or governmental authority is required in connection with Borrower's or Agent's execution and delivery of this Agreement.

(f) Neither the Car Management Agreement nor any other agreements with respect to the Cars, other than this Security Agreement and any Supplements entered into in connection with this Agreement, are required to be filed with the STB to perfect the Agent's security interest in the Cars with the STB.

(g) Borrower does not own any Collateral of a type or nature which cannot be encumbered by a security interest perfectible under Article 9 of the Uniform Commercial Code as presently enacted in the Commonwealth of Kentucky or by filing the Security Agreement with the STB.

(h) With respect to the Car Management Agreement and any Use Agreement which has been assigned by Borrower to Agent pursuant to this Agreement as of the date of this Agreement, Borrower represents and warrants that:

(1) Borrower has granted to Agent a security interest in all of Borrower's right, title and interest in and to the Car Management Agreement, such Use Agreement and associated Use Obligations, and the Cars described therein free of all liens and other encumbrances.

(2) The Car Management Agreement and such Use Agreement are each valid and legally enforceable against Manager and/or the respective Car User according to each of their terms, except as enforcement may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally and by general principles of equity regardless of whether enforcement of any obligation therein mentioned is sought in a proceeding in equity or at law.

(3) All signatures, names, addresses, amounts and other statements and facts contained in the Car Management Agreement and/or such Use Agreement are true and correct.

(4) The Cars marked LNAL 45010 and LNAL 45011 have been delivered to Manager and/or such Car User in satisfactory condition and have been accepted by Manager and/or such Car User pursuant to the terms of the Car Management Agreement and/or such Use Agreement.

(5) All conditions precedent and prerequisites (if any) to the obligation of Manager under the Car Management Agreement and/or such Car User under such Use Agreement have been fulfilled and/or accomplished, and the obligations of Manager and/or such Car User to pay Use Obligations to Borrower and/or Manager as set out in the Car Management Agreement and/or such Use Agreement are payable as and when due under the Car Management Agreement and/or such Use Agreement.

(6) The Car Management Agreement and/or such Use Agreement (and the obligations which they evidence) are, and will continue to be, free and clear of all claims, defenses, set-offs, counterclaims, liens and encumbrances of every kind and nature except those resulting solely from the actions of Agent.

(7) Borrower shall cooperate with Agent in all filing, recordation and other actions or procedures permitted or required by statute or regulation to perfect or protect Borrower's and Agent's respective interests in the Cars.

(8) Borrower has obtained any necessary consent of Manager to assign and transfer Borrower's interest under the Car Management Agreement to Agent.

(9) The Car Management Agreement is a complete and exclusive statement of the entire agreement between Borrower and Manager with respect to the Cars.

(i) Borrower does not and has not at any time preceding the Closing Date, conducted business under or utilized any assumed or trade name other than "Power Flats, Ltd." or "Power Flats."

(j) To the extent that Borrower or Manager wish to enter into lease agreements, Use Agreements and/or other management Agreement with any entity for the lease and/or use of one or more Cars, any such lease agreement, Use Agreement and/or other management agreement shall be submitted to Agent for prior review and possible approval. A condition of Agent's approval to any lease, and/or other management agreement of one or more Cars by an entity shall be the requirement that all of Borrower's and Manager's interests under the lease, Use Agreement and/or other management agreement be subject to this Agreement for the benefit of the Agent and the Lenders, and that the interest of the lessee or user will be at all times subject to the prior interest of Agent. The term "written lease agreement" does not include any agreements with respect to placing the Cars in the national car pool, except to the extent that such agreements create any property interest of the user of the Cars in the Cars.

6. Duration of Security Interest. Agent, its successors and assigns, shall hold the security interest created hereby upon the terms of this Agreement, and this Agreement shall continue until the Secured Obligations have been performed, executed, or paid in full.

7. Certain Notices. Borrower shall notify Agent of any change of location of its chief place of business at least fifteen (15) days prior to effecting any such change.

8. Covenants. To induce Agent to enter into this Agreement, Borrower agrees as follows:

(a) Covenant Not to Dispose of or Impair Collateral. Borrower shall not, without the prior written consent of Agent, sell, transfer or otherwise dispose of the Collateral, or any part thereof or interest therein, except as permitted under this Agreement. Borrower shall not permit any of the Collateral to be levied upon under any legal process, nor shall Borrower permit anything to be done that could impair the value of the Collateral or the security intended to be provided by this Agreement.

(b) Collateral to be Free from Encumbrances. The Collateral shall be and shall remain free and clear of security interests, claims, liens, encumbrances and rights of others, created by or through Borrower, except for the rights of Agent under this Agreement, Manager under the Car Management Agreement and a Car User under a Use Agreement.

(c) No Transfers by Borrower. Borrower shall not sell, assign, or transfer its rights under this Agreement, the Car Management Agreement, any Use Agreement and/or in, to or under any of the Collateral except as provided in this Agreement.

(d) No Waiver or Release of Manager. Without Agent's prior written consent, Borrower shall not waive, excuse, condone, forgive or in any manner release or discharge Manager from such Manager's obligations, covenants, conditions and agreements under the Car Management Agreement that are intended to satisfy Borrower's obligations under this Security Agreement or to preserve and protect the interest of Agent in the Car Management Agreement and the Cars, including, without limitation, the obligations of Manager to remit Use Obligations to Borrower (or, after an Event of Default, to Agent) in the manner and at the time and place specified in such Car Management Agreement. Without Agent's prior written consent, Borrower shall not enter into any agreement or take any action the result of which would be to amend, modify or terminate the Car Management Agreement or Manager's obligations thereunder.

(e) Borrower's Rights Subordinate. Borrower's rights to any Use Obligations shall be subordinate to Agent's rights assigned under this Agreement. At any time Agent is entitled to exercise its remedies under this Agreement, Agent shall have the sole and exclusive right to exercise and enjoy the benefits, rights and privilege of Borrower under the Car Management Agreement and/or any Use Agreement. To that end, at all such times and unless and until the obligations of Borrower under this Agreement have been discharged in full, Borrower shall not seek recovery of any amounts which are a part of the Collateral, and shall not exercise the remedies available under any leases or agreements with respect to the Cars, except in cooperation with and for the benefit of Agent.

(f) UCC Financing Statements.

(1) With respect to the Collateral, on or prior to the Closing Date, Borrower shall prepare, sign and/or have signed by all parties, and cooperate with Agent's filing of a UCC financing statement naming Borrower as debtor and Agent as Secured Party, and describing as collateral the Collateral and such other UCC financing Statements, in form and substance satisfactory to Agent.

(2) Borrower shall cooperate with Agent's filing of all UCC financing statements required by this paragraph in accordance with applicable law, and in all offices necessary or desirable (including, without limitation, any office in which Agent specifically requests). Borrower shall pay all costs, expenses, taxes and/or fees associated with any such filing. Agent may file any such financing statements at its discretion. Borrower shall, upon demand, reimburse Agent for any and all costs, expenses, taxes and/or fees that Agent incurs in connection therewith. Until reimbursement, such costs, expenses, taxes and/or fees shall be a part of the Secured Obligations.

(3) To the extent that Borrower wishes to enter into a lease with respect to the Cars, with Agent's prior written consent, Borrower shall prepare, sign and/or have signed by all parties, and file the following UCC financing statement, in form and substance

satisfactory to Agent: A UCC financing statement naming Borrower as lessor/secured party, the lessee as lessee/debtor, and Agent as assignee of the lessor/secured party, and describing as collateral, the Cars.

(g) Filing of Security Agreement with the STB.

(1) Initial Filing. On or prior to the Closing Date, Borrower shall cooperate with and Agent shall cause the Security Agreement to be filed with the STB and the STB to acknowledge receipt of such filing. Borrower shall, upon demand, reimburse Agent for any and all costs, expenses, taxes and/or fees that Agent incurs in connection therewith. Until reimbursement, such costs, expenses, taxes and/or fees shall be a part of the Secured Obligations.

(2) Supplemental Filings. Within five (5) days of the Borrower acquiring of any New Car, Borrower shall execute a Supplement, generally in the form attached hereto as Annex C (a "Supplement to Security Agreement") describing the New Cars, and in any event satisfactory to the Agent as to scope, form and substance, in the Agent's discretion, which Borrower shall cooperate with and Agent shall cause to be to be filed with the STB. Borrower shall cooperate with and Agent shall cause the STB to acknowledge receipt of such filing at the time of the filing. Borrower shall, upon demand, reimburse Agent for any and all costs, expenses, taxes and/or fees that Agent incurs in connection therewith. Until reimbursement, such costs, expenses, taxes and/or fees shall be a part of the Secured Obligations.

(h) Notice and Consent. If Borrower enters into any Use Agreement, at Agent's discretion, Agent may require (but has no obligation to require) Borrower to execute and deliver a Notice of Assignment to the Car User in the form attached hereto as Annex D.

9. Default. At the option of Agent, the happening of any of the following events shall constitute a default under this Agreement (an "Event of Default"):

(a) The occurrence of any Event of Default under the Loan Agreement.

(b) Any actual and/or attempted encumbrance of any of the Collateral, or the making of a levy, seizure or attachment thereof or thereon, which is not permitted under the Borrower Documents, and which has not been cured to the Agent's satisfaction within thirty (30) days after notice that it has occurred.

(c) Any actual and/or attempted disposition of the Collateral or any interest therein, or the creation of any lien or other encumbrance on the Collateral, either of which is not permitted under this Agreement or the other Borrower Documents and is without the prior written consent of the Agent.

(d) The Collateral becomes the subject matter of litigation which could, in the good faith opinion of the Agent, result in substantial impairment or loss of the security interests intended to be provided by this Agreement, which has not been successfully resolved to the

Agent's satisfaction within thirty (30) days after notice of the litigation and the Agent's desire for a resolution.

10. Remedies. Upon the occurrence of any Event of Default, Agent may at its option declare any and all of the Secured Obligations to be immediately due and payable; and, in addition to that right, and in addition to exercising all other rights or remedies, Agent may proceed to exercise with respect to the Collateral all rights, options and remedies of a secured party upon default as provided for under the Uniform Commercial Code. The rights of Agent upon an Event of Default shall include, without limitation, the following:

(a) The right to enter any premises where any Collateral may be located for the purpose of taking possession or removing the same.

(b) The right to require Borrower to assemble the books and records with respect to the Car Management Agreement and/or any and all Use Agreements and make them available to Agent at a place to be designated by Agent which is reasonably convenient to Borrower and Agent.

(c) The right to require Borrower to assemble the Cars and other Collateral and make them available to Agent at a place to be designated by Agent which is reasonably convenient to Borrower and Agent.

(d) The right to require Borrower to store the Cars and other Collateral, at its own cost and risk, on behalf of Agent after Agent has retaken possession of such Cars and Collateral. Storage shall be in such manner as to prevent any deterioration of such Cars and Collateral, and shall be for a reasonable time (determined by Agent in its discretion) pending the sale or other disposition of such Cars and Collateral.

(e) The right to sell all or any part of the Collateral at public or private sale in one or more lots in accordance with Uniform Commercial Code. Agent may bid upon and purchase any or all of the Collateral at any public sale thereof, and shall be entitled to apply the unpaid portion of the Secured Obligations as a credit against the purchase price. Agent shall be entitled to apply the proceeds of any such sale to the satisfaction of the Secured Obligations and to expenses incurred in realizing upon the Collateral in accordance with the Uniform Commercial Code.

(f) The right to notify Manager, any lessees and/or obligors and/or Car User or Users of Agent's interest and to require Manager, lessees and obligors to begin making payments directly to Agent. Agent shall have the right to proceed against Manager, any lessee and/or obligor and/or Car User or Users in its own name, or in the name of Borrower with or without the consent of Borrower. Agent may retain any such payments or collections and apply them to the satisfaction of the Secured Obligations and to expenses incurred in collection, all in accordance with the Uniform Commercial Code.

(g) The right to recover the reasonable expenses of taking possession of any of the Collateral that may be reduced to possession, preparing the Collateral for sale, selling the Collateral, collecting all or any part of Use Obligations, and other like expenses, together with court costs and reasonable attorneys' fees incurred in realizing upon the Collateral or enforcing any provision of this Security Agreement.

(h) The right to retain the Collateral and become the owner thereof, in accordance with the provisions of the Uniform Commercial Code.

(i) The right to proceed by appropriate legal process at law or in equity to enforce any provision of this Agreement or in aid of the execution of any power of sale, or for foreclosure of the security interest of Agent, or for the sale of the Collateral under the judgment or decree of any court.

(j) The right to retain the Use Obligations collected by Agent, for application to the Secured Obligations.

(k) The right to retain the payments with respect to any Use Agreement collected by Agent, for application to the Secured Obligations.

11. Mandatory Laws Governing Exercise of Remedies. All of the remedies under this Agreement are subject to the mandatory, non-waivable provisions of the laws of the jurisdiction in which Collateral is located or which governs the exercise of the remedies.

12. Cumulative Remedies. The rights and remedies of Agent shall be deemed to be cumulative, and any exercise of any right or remedy shall not be deemed to be an election of that right or remedy to the exclusion of any other right or remedy. Notwithstanding the foregoing, Agent shall be entitled to recover by the cumulative exercise of all remedies no more than the sum of (a) the Secured Obligations remaining outstanding at the time of exercise of remedies plus (b) the costs, fees and expenses Agent is otherwise entitled to recover.

13. Waivers. Borrower acknowledges that this Agreement involves the grant of multiple security interests, and Borrower hereby waives, to the extent permitted by applicable law, (a) any requirement of marshalling assets or proceeding against persons or assets in any particular order, and (b) any and all notices of every kind and description which may be required to be given by any statute or rule of law and any defense of any kind which Borrower may now or hereafter have with respect to liability under this Agreement.

14. Collecting Use Obligations.

(a) Borrower has the right to collect the Use Obligations from Manager, so long as no Event of Default has occurred and is continuing. If any Event of Default has occurred and is continuing, Agent shall be entitled to collect all Use Obligations and to use the proceeds from any Use Obligations it collects, beginning twenty-four (24) hours after such Event of Default first occurs and while it is continuing, and apply those proceeds directly to the Secured Obligations. If Borrower collects Use Obligations after an Event of Default has occurred and while it is continuing, it shall receive and hold the proceeds received from that collection in trust for Agent and shall turn over such proceeds to Agent immediately in the identical form received, if so requested by Agent. In the event of such satisfaction, Agent shall credit the proceeds as payment of the Loans and other Secured Obligations first to interest, then to principal. Any credit given to Borrower for Use Obligations in form other than cash shall be conditional upon final payment to Borrower in cash or solvent credit for the items, and if any item is not paid the amount of any credit given for it shall be charged to Borrower whether or not the item is returned, and such amount shall be a part of the obligations secured by this Security Agreement.

(b) If any Use Obligations and/or payments or collections with respect to the Cars shall be evidenced by a promissory note, trade acceptance or other instrument, Borrower shall immediately deliver such instrument to Agent, appropriately endorsed to Agent's order. Borrower authorizes Agent to endorse same on Borrower's behalf. Borrower hereby waives presentment, demand, notice of dishonor, protest and notice of protest and all other notices with respect thereto.

(c) If Agent desires, and upon Agent's demand, at any time when Agent may exercise remedies under this Agreement, Agent may at its option require that Borrower forthwith remit to Agent all checks, drafts, cash and other remittances in payment of or on account of Use Obligations to be deposited into a special bank account maintained with Agent over which Agent alone, to the exclusion of Borrower, has the power of withdrawal. The funds in such account shall be held by Agent for application toward the Secured Obligations. Such proceeds of Use Obligations shall be deposited in precisely the form received, except for the endorsement of Borrower where necessary to permit collection of items, which endorsement Borrower agrees to make and which Agent is also hereby authorized to make in Borrower's name and on Borrower's behalf as attorney-in-fact. Pending such deposit, to the extent that Borrower may receive any Use Obligations at such time, Borrower agrees that it will not commingle any such checks, drafts, cash and other remittances with any other funds or property, but will hold them separate and apart therefrom in express trust for Agent until deposited in that special account. Agent will, once each day, apply the whole or any part of the collected funds on deposit in such special account against the principal or interest, or both, of the Notes. Any portion of the funds in the special account which Agent elects not to apply as provided in the preceding sentence shall be paid over by Agent to Borrower.

15. Collecting Use Obligations from Car Users.

(a) Borrower or Manager, as Borrower's Agent has the right to collect Use Obligations from any and/or all Car Users so long as no Event of Default has occurred and is continuing. If any Event of Default has occurred and is continuing, Agent shall be entitled to collect all such Use Obligations and to use the proceeds from any such Use Obligations it collects, beginning twenty-four (24) hours after such Event of Default first occurs and while it is continuing, and apply those proceeds directly to the Secured Obligations. If Borrower collects any such Use Obligations, after an Event of Default has occurred and while it is continuing, it shall receive and hold the proceeds received from that collection in trust for Agent and shall turn over such proceeds to Agent immediately in the identical form received, if so requested by Agent. In the event of such satisfaction, Agent shall credit the proceeds as payment of the Loan and other Secured Obligations first to interest, then to principal. Any credit given to Borrower for Use Obligations in form other than cash shall be conditional upon final payment to Borrower in cash or solvent credit for the items, and if any item is not paid the amount of any credit given for it shall be charged to Borrower whether or not the item is returned, and such amount shall be a part of the obligations secured by this Security Agreement.

(b) Borrower shall have no power to, and shall not, waive, compromise or discount any Use Agreement Payments without the prior written consent of Agent.

16. Agent as Agent. Borrower hereby irrevocably constitutes Agent as its agent and attorney-in-fact at any time during any period when Agent may exercise remedies under this Agreement, to (a) proceed against Manager, under the Car Management Agreement, and/or any Car User under a Use Agreement, in Borrower's name or in Agent's name, (b) sign and endorse all checks, drafts and other instruments in payment of Use Obligations or pursuant to any Car Management Agreement Security, or pursuant to any Use Agreement, or (c) perform all such other acts with respect to Use Obligations, and/or Car Management Agreement, and/or any Use Agreement as Agent may in its discretion deem necessary to effectuate the security intended to be granted in this Agreement, including without limitation giving the Notice of Assignment provided under Section 8(h) of this Agreement.

17. Filing Fees. Borrower shall pay all costs of filing any financing, continuation or termination statement necessary to perfect or protect or to maintain or terminate the perfection or protection of Agent's security interest created by this Agreement; or shall, upon demand, reimburse Agent for such costs, and until reimbursement such costs shall be a part of the obligations secured by this Agreement.

18. Certain Rights and Obligations Regarding Collateral.

(a) Borrower shall keep (or shall cause any Car User to keep) and maintain the Cars and the Collateral, or cause the Collateral to be kept and maintained, in good condition and repair, normal wear and tear excepted, and otherwise keep (or shall cause any Car User to keep), or cause to be kept and maintained, the Cars and the Collateral under adequate condition of storage to prevent its deterioration or depreciation in value.

(b) If Borrower shall fail to provide or cause to be provided insurance pursuant to this Agreement, Agent may, but is not obligated to, pay for such insurance. Borrower shall promptly reimburse Agent for any payments made pursuant to this paragraph, and until reimbursement, such payments shall be a part of the obligations secured by this Agreement.

19. Use of Collateral. Borrower shall not use the Collateral in violation of any statute or ordinance, and Agent shall have the right, at reasonable hours, to inspect the Collateral wherever the Collateral may be located.

20. Lease. Borrower may lease its rights with respect to the Cars to a third party under a lease, such lease to be in such form and contain such terms and provisions as are satisfactory to Agent (except that Borrower may place the Cars in the National Carpool without Agent's prior written consent so long as no property interest in the Cars is created thereby). Agent shall be assigned all of Borrower's rights against the lessee under such lease. Further, Borrower shall cause the lessee to file such financing, continuation and/or termination statements as are necessary to perfect or protect or to maintain Agent's security interest in such lease and related Collateral created by this Security Agreement.

21. Notice. Any requirement of the Uniform Commercial Code of reasonable notice shall be met if such notice is given at least ten (10) business days before the time of sale, disposition or other event or thing giving rise to the requirement of notice. All notices or communications under this Agreement shall be in writing and shall be given to Agent at the address listed in the preamble.

22. Further Assurances. Borrower shall sign from time to time such other documents and instruments, and take such other action, as Agent may request to create and maintain more fully the security interest in the Collateral intended to be created in this Agreement, and to perfect and/or protect any such interest. Without limiting the foregoing, Borrower shall take such action as may be necessary to have Agent's security interest noted on the certificates of title to which such Collateral is subject. Borrower agrees that its obligations under this Section 22 are material aspects of the protections intended to be provided to Agent under this Agreement and may be specifically enforced.

23. Miscellaneous.

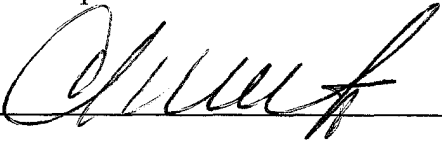
(a) Failure by Agent to exercise any right shall not be deemed a waiver of that right, and any single or partial exercise of any right shall not preclude the further exercise of that right. Every right of Agent shall continue in full force and effect until such right is specifically waived in a writing signed by Agent.

(b) If any part, term or provision of this Agreement is held by any court to be prohibited by any law applicable to this Agreement, the rights and obligations of the parties shall be construed and enforced with that part, term or provision enforced to the greatest extent

IN WITNESS WHEREOF, Borrower and Agent have executed and delivered this Agreement as of the date set out in the preamble hereto, but actually on the dates set forth below.

BORROWER: POWER FLATS, LTD.,
a Kentucky limited partnership

By: OPM Flats, Inc., a Kentucky corporation,
as general partner


By 

Name: Charles W. Woods, II

Title: Vice President

Date: 6/2/99

AGENT: BANK ONE, KENTUCKY, NA,
a national banking association

By 

Dennis P. Heishman, Senior Vice President

Date: 6/2/99

COMMONWEALTH OF KENTUCKY)

)

SS:

COUNTY OF JEFFERSON)

On June 2, 1999 Charles W. Woods, to me personally known, who being by me duly sworn, said that he is the Vice President of OPM Flats, Inc., the general partner of Power Flats, Ltd., that said instrument was signed on behalf of said limited partnership by authority of its general partner, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited partnership.



Signature of Notary Public

My commission expires: October 1, 2000

(Seal)

COMMONWEALTH OF KENTUCKY)

)

SS:

COUNTY OF JEFFERSON)

On June 2, 1999 Dennis P. Heishman, to me personally known, who being by me duly sworn, said that he is a Senior Vice President of Bank One, Kentucky, NA, a national banking association that said instrument was duly authorized and signed on behalf of the association, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.



Signature of Notary Public

My commission expires: October 1, 2000

(Seal)

Annex A

Cars

	<u>DESCRIPTION</u>	<u>SERIAL NUMBER</u>
1.	114 Ton 36' FD Flat Car	LNAL 45010
2.	125 Ton 22' FD Flat Car	LNAL 45011
3.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70986
4.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70987
5.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70988
6.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70989
7.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70990
8.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70991
9.	225 Ton 70' FM Flat Car with Lockout Blocks purchased from Kasgro Rail Corp.	LNAL 70992

Annex B

Car Management Agreement

[ATTACH]

Original

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("Agreement") dated this 31st day of March, 1997, by and between (i) **OPM SERVICES, INC.**, a Kentucky corporation ("OPM"); and (ii) **HARRY KETTERMAN d/b/a PRIORITY TRANSPORTATION CONSULTANTS** ("Manager").

RECITALS:

A. OPM is engaged in the business of providing managerial and accounting support services for companies engaged in the acquisition, leasing and servicing of heavy duty flat cars and other speciality railcars throughout North America.

B. OPM desires to enter into an agreement with Manager whereby Manager will provide certain managerial, billing and marketing services on behalf of OPM in connection with the management and related responsibilities of a railroad flat car fleet consisting of all railcars marked with the railroad markings of "LNAL," "PAL," "KJR" or other markings designated by OPM (the "Operations").

C. Manager wishes to assume such managerial, billing and marketing services on behalf of OPM, and the parties hereto wish to reduce to writing their understanding with respect to the matters contained herein.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, agree as follows:

1. **Manager's Obligations.** Manager shall assume managerial, billing and marketing responsibility of the Operations, which shall include performing the following services on behalf of OPM:

- (a) Railcar tracking;
- (b) Billing and collection of use and detention charges;
- (c) Customer service;
- (d) Railcar registration;
- (e) Billing and collection of railcar hire;
- (f) Negotiation of railcar hire rates;

- (g) Marketing assistance of railcars;
- (h) Filing of rates in railcar tariffs;
- (i) Approval of railcar repairs and reports;
- (j) Handling of AAR updates;
- (k) Furnishing of reports as to billings, earnings, expenses, adjustments to returns and breakdown of earnings as pertaining to ownership of railcars;
- (l) Maintenance of updated customer/client files; and
- (m) Provide marketing and customer support, including travel, as necessary for promotion of OPM's business.

Items (a) through (m) are collectively referred to herein as the "Manager Obligations," and the respective duties and undertakings of each Manager Obligation are more particularly described on Exhibit A attached hereto.

2. **Certain Covenants of Manager.** Manager covenants as follows:

- (a) At its sole expense, Manager will maintain a fully equipped office, adequate in size and sufficiently staffed in order to permit Manager to transact all business contemplated under this Agreement and to otherwise permit Manager to comply with all Manager Obligations. Any expenses incurred by Manager for phone calls, facsimiles and travel that are associated with the railcar fleet shall be itemized and provided to OPM on a monthly basis for review for reimbursement.
- (b) All Manager Obligations will be performed on a timely basis, meeting required time frames as are essential to the needs of the Operations.
- (c) Manager will provide OPM with complete procedures manuals and railroad contracts, which shall be annually updated throughout the term of this Agreement.
- (d) Manager shall keep and maintain all records relating to the Operations at its office and shall provide full back-up information to OPM on a monthly basis and upon request. Manager shall promptly tender all records relating to the Operations to OPM upon termination or expiration of this Agreement.

3. **Certain Covenants of OPM.** OPM covenants as follows:

- (a) To reasonably cooperate with Manager in connection with the Operations;

(b) To provide assistance and cooperation in all billing of services for the period in which the Agreement is effective and to pay over to Manager the Management Fee (as defined in Section 4(c)).

(c) To establish policies affecting the Operations which are not inconsistent with the responsibilities assigned to Manager under the terms of this Agreement.

(d) To play an active role in promoting the goodwill and public image of the Operations and Manager.

4. Revenues, Costs of Operation and Management Fee.

(a) All revenues from the Operations shall be paid out by OPM on a monthly basis in the following order of priority:

(i) The Costs of Operation (as defined in Section 4(b) below); and

(ii) The Management Fee (as defined in Section 4(c) below).

(b) The Costs of Operation shall include:

(i) All costs and expenses incurred in the operation and management of the Operations, including repairs, marking fees and financing/lease costs;

(ii) All premiums or charges for insurance described in Section 7 hereof and other insurance coverage with respect to the Operations;

(iii) All expenses and costs incurred in connection with the purchase of necessary supplies and other necessary supplies supplied by independent contractors; and

(iv) Any ad valorem taxes payable with respect to any personal property owned by OPM for the period this Agreement is effective.

(c) The Management Fee payable to Manager shall be calculated and payable in accordance with Exhibit B attached hereto and incorporated herein.

5. PAL Agreement. Manager will provide services and perform OPM's duties related to the existing agreement with the Paducah and Louisville Railroad ("PAL") dated as of July 30, 1993.

6. Term. Unless earlier terminated in accordance with Section 7 hereof, this Agreement shall commence effective at 12:01 A.M., local time, on April 1, 1997 (the "Commencement Day"), and shall extend for a period of three (3) years (the "Term") until 11:59 P.M., local time, on March

31, 2000 (the "Expiration Date"). One hundred twenty (120) days prior to the Expiration Date, the parties shall commence negotiations on the terms of renewal of the Agreement.

7. **Default, Right to Cure and Termination.**

(a) The following shall be deemed to be an "Event of Default" hereunder:

(i) If Manager fails to maintain and conduct the Operations according to the standards established or imposed by all applicable laws and regulations of any governmental agencies, other than by reason of failure of OPM to comply with its covenants hereunder.

(ii) If any licenses or permits applicable to the Operations are canceled or revoked because either party has failed to perform its obligations or covenants hereunder and such party is not, in good faith, diligently pursuing the reinstatement of such licenses or permits.

(iii) If either party becomes insolvent or makes an assignment for the benefit of creditors or commits an act of bankruptcy or files a voluntary petition under the provisions of the United States Bankruptcy Code, including without limitation, a petition for reorganization or arrangement or consents to an involuntary petition or is adjudicated a bankrupt.

(iv) If either party violates, or is in breach of, any material term or condition of this Agreement.

(b) The party with respect to which an Event of Default is not applicable (the "Non-Defaulting Party") may declare this Agreement terminated in the event the other party (the "Defaulting Party") fails to cure the Event of Default within sixty (60) days after written notice from the Non-Defaulting Party, which notice shall specify in sufficient detail the specific circumstances of the Event of Default so as to give the Defaulting Party adequate notice and the opportunity to cure same; provided the Defaulting Party shall not be deemed in default if the Defaulting Party takes reasonable steps to cure the Event of Default within the sixty (60) day period and proceeds with due diligence thereafter to cure the Event of Default.

8. **Insurance.**

(a) OPM will, at its own expense, maintain in full force and effect all insurance coverages required by any applicable requirements of any governmental agency having jurisdiction over the Operations.

(b) Manager shall insure itself against normal business risks inherent in its conduct and management of the Operations.

9. **Cooperation at Termination.** Upon the expiration or earlier termination of this Agreement, the parties hereto shall cooperate fully with the other in effecting an orderly transition to avoid any interruption in the rendering of the Manager Obligations, and, in that connection, Manager shall surrender to OPM all contracts, books, records and reports maintained by Manager in connection with the management of the Operations.

10. **Indemnification.** Any Defaulting Party shall indemnify and hold the Non-Defaulting Party and the Non-Defaulting Party's shareholders, directors, officers, employees and agents harmless from any and all liabilities, losses, damages, claims, and costs arising from an Event of Default, except for liabilities, losses, damages, claims, and costs arising from the Non-Defaulting Party's gross negligence or willful misconduct.

11. **Litigation or Proceedings on Behalf of OPM.** If any claims or causes of action on behalf of OPM arise with respect to the Operations for the period this Agreement is effective, or if any claims, actions, or other legal proceedings arising from Manager's management of the Operations are filed against OPM, Manager shall cooperate in good faith with OPM and use its reasonable best faith efforts in assisting OPM in the defense or prosecution of any such claim or causes of action.

12. **Parties Bound.** The provisions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns. Except as specifically provided herein, no assignment of rights or delegation of duties shall relieve either party, as the case may be, of its obligations hereunder. Except as specifically provided herein, neither party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other party, provided that a party may assign its rights and delegate its duties to any successor entity in the event of a merger or a sale of substantially all of the party's assets if the successor entity assumes all of the party's obligations hereunder.

13. **Attorneys' Fees.** In the event it becomes necessary for a Non-Defaulting Party to employ counsel to protect its interests, then the Non-Defaulting Party shall be entitled to receive from the Defaulting Party reasonable attorneys' fees for such services, plus all court costs and other expenses reasonably incurred in the enforcement of the obligations of this Agreement, and the Defaulting Party shall be liable for those sums and hereby agrees to pay such sums.

14. **Right of Offset.** In the event Manager breaches or otherwise fails to perform any of the terms and conditions of this Agreement, OPM shall have the right, exercisable in its sole discretion, to offset against any payment due and owing under any other contracts or agreements it has entered into with Manager, existing now or in the future, in order to compensate OPM for any damages it incurs arising out of Manager's failure to perform any of the terms and conditions contained in this Agreement.

15. **Confidentiality and Noncompetition Agreements of Manager.** After the Commencement Day, without limitation as to time, Manager agrees that it will not, and will cause its respective agents, accountants, attorneys and employees not to, divulge, furnish or make accessible to anyone any trade secrets, client lists, computer programs or confidential information of any kind with respect to the clients or business operations of OPM relating to the Operations (i) except as

required by applicable law or (ii) unless such information is already or becomes generally available to the public other than as a result of disclosure in violation of any obligation of confidentiality. During the term of this Agreement and for a period of one (1) year after its termination or the Expiration Date, Manager shall not directly or indirectly own, manage, operate, join, have an interest in, control or participate in the ownership, management, operation or control of, or be employed by, act as a consultant to, or otherwise be connected in any manner with, or have any direct or indirect financial interest in the business of providing managerial and accounting support services for companies engaged in the acquisition, leasing and servicing of heavy duty flat cars and other specialty railcars throughout North America.

16. **Notices.** Except as otherwise expressly provided in this Agreement, all notices and other communications required or permitted to be given hereunder shall be given in writing and shall be personally delivered or sent by express courier service or by registered or certified United States Mail, return receipt requested, postage prepaid, addressed as follows (or to such other address as to which either party hereto shall have given the other written notice):

If to OPM:	President OPM Services, Inc. 1000 W. Ormsby Ave., Suite 120 Louisville, Kentucky 40210
with copy to:	Robert B. Vice, Esq. Reed Weitkamp Schell Cox & Vice 2400 Citizens Plaza Louisville, Kentucky 40202
If to Manager:	Harry Ketterman, d/b/a Priority Transportation Consultants 2650 Sival Road Ramsey, Indiana 47166

All written notices hereunder shall be deemed given upon the earliest of (a) actual delivery in person, (b) one (1) business day after delivery to an express courier service, or (c) two (2) Business Days after having been deposited in the United States Mail, in accordance with the foregoing.

17. **Severability.** In the event any provision hereof shall be modified or held ineffective by any court in any respect, such adjudication shall not invalidate or render ineffective the balance of the provisions of this Agreement.

18. **Entire Agreement; Modification; Waiver.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and completely supersedes all prior oral agreements between the parties. All other agreements with respect to the subject matter hereof between the parties, whether written or oral, are merged herein. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties hereto.

No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

19. **Execution in Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

20. **Further Assurances.** The parties each hereby agree to execute and deliver all of the agreements, documents, and instruments required to be executed and delivered by them in this Agreement and to execute and deliver such additional instruments and documents and to take such additional actions as may reasonably be required from time to time in order to effectuate the transactions contemplated by this Agreement.

21. **Tense: Captions.** In construing this Agreement, whenever appropriate, the singular tense shall also be deemed to mean the plural, and vice-versa, and the captions contained in this Agreement shall be ignored.

22. **Governing Law.** This Agreement shall be construed, interpreted, and enforced in accordance with the substantive laws of the Commonwealth of Kentucky.

23. **Parties in Interest.** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than Manager and OPM and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement.

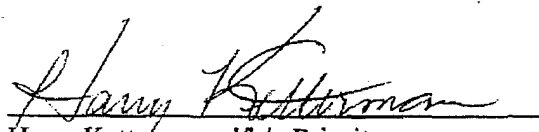
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year set forth below.

OPM SERVICES, INC., a Kentucky
corporation

By: 

Its: 

("OPM")


Harry Ketterman, d/b/a Priority
Transportation Consultants

("Manager")

EXHIBIT A

TASK LOAD AND DEFINITION FOR CAR MANAGEMENT

TASK	HRS	FREQ.	TASK SUMMARY
CAR TRACK	1-4	DAILY	TRACK ALL CARS. ENTRIES ON DATA SHEETS CAN BE UPDATED EVERY 2 TO 4 DAYS. TRACKING CARS LATE AT NIGHT GETS BETTER RESULTS SINCE EDI LINES AND SYSTEMS ARE LESS BUSY. IF CAR DOES NOT SHOW LOCATION OR MOVEMENT FOR 3 OR 4 DAYS. MAKE A PHONE CALL TO CARRIERS CUSTOMER SERVICE DEPT.. WHEN CARS HAVE BEEN PLACED FOR UNLOADING IF YOU HAVE NOT RECEIVED ASSIGNMENT FROM THE AAR FOR THE CAR FAX CAR DATA TO JIM PEARSALL TO ADVISE HIM OF AVAILABILITY OF CAR.
BILLING U&D	4-6	WEEKLY	BILLING THE USE AND DETENTION CHARGES ON ALL CARS IMMEDIATELY WHEN CAR IS ORDERED OUT EMPTY OR LOADED. FAX BILLING TO THE RAILROAD. INFORMATION MUST BE POSTED ON CR-BL-PY AS BILLED AND UPDATED WHEN PAID BY CARRIER. SEE CR-BL-PY POSTING.
CR-BL-PY ENTRY	2-4	WEEKLY	THIS DATABASE KEEPS TRACK OF ALL BILLINGS FOR USE AND/OR DETENTION ON ALL CARS AS WELL AS UPDATED WHEN CARRIERS PAY. THERE IS ONE BILLING AND ENTRY WHEN CARS IS LOADED AND ANOTHER WHEN UNLOADED IF DETENTION TIME IS BILLED. THERE IS ALSO A FIELD FOR ENTRY OF ADJUSTMENT OF CHARGES WHEN CHANGED BY PAYING CARRIER AS A RESULT OF ORDER DATE VS PLACEMENT DATE AND RELEASE DATE DISCREPANCIES. ASK CARRIER TO FURNISH DOCUMENTATION OR AUTHORITY WHEN CHANGES ARE MADE. ALSO ENTRIES ARE MADE FOR CANCELANATION CHARGES. A REPORT IS RUN FROM "PAID-U&D" THE FIRST OF EACH MONTH WHICH IDENTIFIES OUTSTANDING BILLS AND ENABLES YOU TO KEEP IN TOUCH ON SLOW PAYERS.
CUSTOMER SERV	2+	WKLY	ASSIST CUSTOMER ON CAR CHOICE AND LOCATION. REGULAR CUSTOMERS WILL BE FAXED CAR LOCATION INFORMATION ON ALL CARS IN THEIR SERVICE. REPORT INCLUDES CAR NUMBER, STATUS (L,E,UNLDG,LDG), CURRENT LOCATION, RAILROAD, LOAD DATE AND DESTINATION OF LOADING.
CAR REGISTRN	4-6	MO	CAR REGISTRATION MUST BE HANDLED THROUGH AAR, ATTN. SHOU LIEN. LETTER MUST BE SUBMITTED FROM CAR OWNER INDICATING THEY WANT THE CAR MARKED BY THE LNAL AND MANAGED BY OPM. LETTER MUST BE SUBMITTED FROM LNAL SAYING THEY ARE GOING TO ACCEPT A CAR OWNED BY --- AND MANAGED BY OPM. LETTER MUST BE SUBMITTED BY OPM STATING THEY ARE GOING TO MANAGE A CAR OWNED BY -- AND MARKED BY THE LNAL RR. ALL LETTERS MUST BE FAXED TO AAR, ATTN. SHOU LIEN. KASGRO RAIL WILL SUBMITT UMLER DATA TO SUPPORT REGISTRATION AND ALL DATA MUST BE

05/28/99 FRI 09:27 FAX 502 562 2200

03/10/97 MON 17:34 FAX 502 562 2200

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Reed Weitkamp

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TASK LOAD AND DEFINITION FOR CAR MANAGEMENT

TASK	HRS	FREQ.	TASK SUMMARY
BILLING/CR HIRE	9-10	MO	<p>CORRECT AND COMPLETE OR WE CANNOT NEGOTIATE CAR HIRE RATES AS UMLER WILL REJECT THE CAR FOR NEGOTIATION. I KEEP A LISTING OF THE CAR HIRE PAYORS IN THE FRONT OF THE CAR HIRE LOOSE LEAF BINDER (BURGANDY COLOR) ON MY DESK. IN THE COLUMN THAT IS HEADED AUTO IS A Y OR N WHICH MEANS IF THERE IS A Y THE CARRIER PAYS AUTOMATICALLY AND YOU DO NOT NEED TO BILL, HOWEVER, IF THERE IS A N OR NO THE CARRIER MUST BE BILLED. A DATABASE FOR THE BILLING IS HEADED AS CHE-INV AND I USE COPIES OF THE OPM LETTERHEAD TO PRINT THE BILLING AS WELL AS THE FAX COVER PAGE. ALL FAX NUMBERS ARE ON THE MEMORY OF THE FAX MACHINE. CARRIERS ARE OBLIGATED TO SEND A CAR HIRE REPORT EACH MONTH SO THESE MUST BE COLLECTED ON OR ABOUT THE 20 TH OF EACH MONTH AND MUST BE FAXED TO RAIL CAR MANAGEMENT, ATLANTA, GA ATTENTION-LINDA FAYERWEATHER. RCM FURNISHES A COPY OF THE AAR TAPE WHICH THEY FAX TO ME IN TIME EACH MONTH TO FINISH THE MONTHLY BREAKDOWN OF EARNING CHECKS. RCM ALSO FURNISHED A COMPLETE SET OF RECORDS VERIFYING THE CORRECTNESS OF CARRIER CAR HIRE REPORTS, ACCUMULATIVE REPORTS OF EARNINGS ON ALL CARS AND CLAIMS FOR CARRIER SHORTAGES WHICH MUST BE FILED WITH CARRIERS. ALSO MAKE TWO TRIPS PER WEEK TO LNACRR OFFICE TO PICK UP MAIL WHICH CONSISTS OF CHECKS, CAR HIRE REPORTS AND CAR REPAIR BILLINGS. CAR HIRE RATES MUST BE NEGOTIATED WITH EACH CARRIER. DEFAULT RATES WILL APPLY WHEN CAR IS REGISTERED, HOWEVER, ARE USUALLY EXTREMELY LOW. DEFAULT RATES ARE SET FROM PREVIOUS YEAR-QUARTER NEGOTIATION AND THE LOWEST NEGOTIATED RATE IS SET AS DEFAULT. ALL NEW CARS AND REBUILT CAR MUST BE NEGOTIATED. CARS BUILT PRIOR TO JAN.1 1992 HAVE PRESCRIBED RATES WHICH ARE USUALLY HIGHER THAN CAN BE NEGOTIATED. PROCESS STARTS WITH FAXING BID/OFFER FORM TO AAR ATTN. SUSAN SMITH AND THEN PROCEEDS THROUGH NEGOTIATIONS.</p> <p>IN FIRST WEEK OF EACH MONTH KASGRO NEEDS A GROUP OF REPORTS FOR THE PREVIOUS MONTHS ESTIMATES AND EARNINGS. THESE ARE FAXED TO RAY KOSAKOWSKI AT FAX 1-412-659-7639. REPORTS ON EARNINGS CAN BE PULLED UP ON KASGRO (K- ERNGS), MINTER (MIN-ERNG) AND ZURN (Z-ERN). MONTHLY ESTIMATED RETURNS FOR PREVIOUS MONTH FROM REPORT KMZ-MO. ALSO A REPORT</p>
CH RATE NEGOT.	6-10	MO	
KASGRO-MT-REP	2-4	MO	

TASK LOAD AND DEFINITION FOR CAR MANAGEMENT

TASK	HRS	FREQ.	TASK SUMMARY
OPM-MTHLY-REP	6-8	MO	WHICH CONTAINS THE USE AND DETENTION RECORDS FOR THE PREVIOUS 12 MONTHS WHICH CAN BE DRAWN FROM REPORT KSG-U&D. THESE MONTHLY REPORTS WILL NEED THE DATES CHANGED ON THE 3RD & 4TH SCREEN OF THE REPORT TO MATCH THE CORRECT DATE REQUESTED. "CAR HIRE RECEIVABLE" REPORT FROM RAIL CAR MANAGEMENT FOR THE KASGRO, ZURN & MINTER CARS ARE ALSO SENT TO KASGRO ALONG WITH THE "MONTHLY REPORT OF CAR EARNINGS AND EXPENSES" FOR THE THREE CAR OWNERS. USE "MONTHLY ESTIMATED CAR RETURN WORKSHEET" AND WORK UP ESTIMATES ON EACH CAR FOR CAR HIRE & U&D FOR THE MONTH. ENTER ON C-HR-EST EACH CAR AND RUN REPORT CR-MT-ES TO SEND TO OPM BY FIRST WEEK OF EACH MONTH. THESE FIGURES NEED TO BE AS ACCURATE AS POSSIBLE SINCE THEY ARE USED AS INCOME ON THE CARS. IF A SIZEABLE ADJUSTMENT IS MADE AT A LATER DATE ADVISE OPM OFFICE TO ADJUST THEIR RECORDS. WORKSHEETS ARE KEPT IN TOP DRAWER OF FAX DESK AND FILED UNDER FORMS.
POSTING/OWNERS	6-8	MO	AS CHECKS COME IN TO THE LNAL OR OPM THEY MUST BE POSTED. OPM WILL FAX COPY OF CHECK AND MAIL MUST BE PICKED AT LNACRR OFFICE, CORYDON. CHECKS ARE THEN BROKEN DOWN BY CAR OWNER AND ENTERED IN COMM-IL AND ALSO COPY SENT TO OPM OF BREAKDOWN. ALSO WHEN CHECK ARE RECEIVED THAT COVER USE & DETENTION PAYMENTS THIS INFORMATION MUST BE UPDATED ON CR-BL-PY. END OF MONTH REPORTS USE THESE NUMBERS FOR PAYMENT TO CAR OWNER AS WELL AS PAYCHECK TO HK.
POSTING/KASGRO	2-4	MO	AS CHECKS ARE RECEIVED AND BROKEN DOWN PER POSTING/OWNERS, CHECKS INVOLVING KASGRO CARS MUST BE BROKEN DOWN BY CAR AND ENTERED IN K-MO- CAR PAYMENTS FOR CAR HIRE AND USE & DETENTION MUST BE TOTALED TO MATCH TOTAL OF KASGRO EARNINGS FOR MONTH. THESE NUMBERS ARE USED AT END OF MONTH BY OPM OFFICE TO DETERMINE OPM CONTRACT COMMISSIONS. A REPORT CAN BE SORTED & PRINTED BY DATE FROM K-MO-CAR REP.
MARKETING CARS	20-40	MO	MAILING LIST MUST BE KEPT UPDATED FROM CONTACTS AND RICA DIRECTORY. AVERAGE 3 TO 4 PHONE CALLS PER DAY ON QUESTIONS CONCERNING CAR RATES, USAGE, AVAILABILITY ETC. CAR MANUAL MUST BE UPDATED YEARLY WITH ADDITIONS MADE ON QUARTERLY OR 6 MONTH INTERIMS. MARKETING TRIPS TO VARIOUS LOCATIONS, RICA MEETING AND OTHER INVOLVEMENT

05/28/99 FRI 09:28 FAX 502 562 2200
03/10/97 MON 17:35 FAX 502 562 2200

Reed Weitkamp
Reed Weitkamp

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TASK LOAD AND DEFINITION FOR CAR MANAGEMENT

TASK	MRS	FREQ.	TASK SUMMARY
AAR TD3	3-5	MO	CONCERNING RAIL CARS. AAR TD3 LOADING AND UNLOADING REPORTS COME IN FOR ALL LOADINGS AND UNLOADINGS. THESE ARE MATCHED TO RECORDS KEPT ON CARS AND IF THERE IS A VARIANCE IT NEEDS TO BE CHECKED FOR POSSIBLE CORRECTED BILLING. THESE ARE KEPT WITH CAR RECORDS AND ARE HELPFUL SINCE THEY DO CONTAIN WAYBILL INFORMATION.
RATE TARIFFS	2-4	MO	AS NEW CARS ENTER THE FLEET A DETERMINATION MUST BE MADE AS TO THE USE CHARGE AND ANY OTHER CHANGES TO THE TARIFF. THE RATE MUST BE FILED WITH THE SHORT LINE ASSOCIATION 30 DAYS IN ADVANCE OF CAR USAGE IF POSSIBLE. TARIFF MUST BE KEPT UPDATED AND COPIES OF TARIFF PAGES AVAILABLE FOR CAR USERS SINCE MANY WANT THE TARIFF PAGE AS WELL AS A CAR DRAWING WITH SPECIFICATIONS. RECEIVED 1 OR 2 CALL PER WEEK ASKING FOR THIS INFORMATION.
CAR REPAIR	1-2	MO	CAR REPAIR BILLS ARE SENT TO MYSELF, LNACRR AND OPM OFFICE. THESE MUST BE CHECKED FOR CORRECTNESS TO MAKE SURE CARRIER FILED ON RIGHT CAR AND IF BILL NEEDS TO BE QUESTIONED TO FOLLOW-UP WITH CARRIER. KEEP COPY OF BILLS IN CAR REPAIR FILE AS WELL AS PAST DUE NOTICES. ADVISE JENNIFER IF BILL IS ORIGINAL OR PAST DUE AND WHEN IT WAS PASSED THROUGH FOR PAYMENT. REPAIR BILLS MUST ALSO BE BROKEN DOWN AS TO CAR OWNER AND CAR NUMBER WHICH IS SUPPOSED TO APPEAR ON BILLING. ALTHOUGH I AM SHOWN AS CONTACT NAME ON CAR REPAIR MANY OF THEM STILL GO TO THE LNAC RR OFFICE WHICH I PICK UP.
ARR UPDATE	4-6	MO	ADVISE JIM PEARSALL OF AAR WHEN CARS HAVE BEEN PLACED FOR UNLOADING BY FAX. ALSO KEEP HIM POSTED FOR ANY CHANGES IN SCHEDULES OR NEEDS OF SHIPPERS. KEEP IN TOUCH WITH JIM ABOUT FUTURE NEEDS AND CUSTOMER REQUESTS.
ORER UPDATE	6-8	6 MO.	UPDATE INFORMATION ON CARS AND ADD NEW CARS TO ORER. WILL RECEIVE A PACKET TO UPDATE ABOUT 3 WEEKS BEFORE DEADLINE DATE. ORER- OFFICIAL RAILWAY EQUIPMENT REGISTER.

5

EXHIBIT B**MANAGEMENT FEE****A. Monthly Retainers**

1. Railcars with load capacities in excess of 200,000 pounds, or railcars which are otherwise included in the AAR's TD3 Fleet, will pay, as a Management Fee, monthly retainers calculated as follows:
 - The first twenty (20) railcars shall carry a retainer of \$125.00 per month.
 - The next twenty (20) railcars shall carry a monthly retainer of \$75.00 per month.
 - Any additional railcars (in excess of forty (40)) shall carry a monthly retainer of \$50.00 per month.
2. Railcars with load capacities less than 200,000 pounds, or railcars not included in the AAR's TD3 Fleet, will pay, as a Management Fee, monthly retainers calculated as follows:
 - The first twenty (20) railcars shall carry a monthly retainer of \$75.00 per month.
 - The next twenty (20) railcars shall carry a monthly retainer of \$50.00 per month.
 - Any additional railcars (in excess of forty (40)) shall carry a monthly retainer of \$25.00 per month.
3. The four (4) railcars marked "PAL" will be included among the twenty (20) railcars in Section 1 above but will pay a monthly retainer of \$100 per railcar.

B. Gross Cash Receipts:

- The first forty (40) railcars under Section A of this Exhibit B above shall carry a fee of 3% of gross cash receipts collected.
- All railcars in excess of forty (40) shall carry a fee of 1.5% of gross cash receipts collected.

- The four (4) railcars marked "PAL" will be included among the forty (40) railcars; however, said railcars shall pay only 1% of the revenue generated by use by VOGT-NEM;
- Average per-car gross cash receipts will be used as the basis for the receipts sharing calculation under this Section B.

C. **Invoices:**

Manager will prepare regular invoices, monthly in arrears, detailing charges due under A and B above. OPM shall remit payment on such invoices within twenty (20) days of receipt thereof.

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MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("Agreement") dated as of the 1st day of January, 1997, by and between (i) **OPM FLATS, INC.**, a Kentucky corporation ("Flats"); and (ii) **OPM SERVICES, INC.**, a Kentucky corporation ("Manager").

RECITALS:

A. Flats is the General Partner of the Kentucky limited partnership organized under the laws of the Commonwealth of Kentucky and operating under the name Power Flats, Ltd. (the "Partnership").

B. The Partnership is engaged in the purchasing, leasing and servicing of heavy duty flat cars and other specialty railcars throughout North America (the "Operations").

C. Flats wishes to enter into an agreement whereby Manager will provide, on behalf of Flats, certain managerial and accounting services required to be performed by Flats pursuant to the Agreement of Limited Partnership of the Partnership dated February 11, 1997 (the "Partnership Agreement").

D. Manager wishes to assume such managerial and accounting services on behalf of Flats, and the parties hereto wish to reduce to writing their understanding with respect to the matters contained herein.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, agree as follows:

1. **Flats as Partnership's General Partner.** Flats shall be the General Partner of record of the Partnership for all purposes and shall hold all licenses and permits necessary or incidental thereto with respect to the Operations. It is understood and agreed that the relationship between the parties hereto is that of independent contractors, and nothing herein contained shall be deemed to create or authorize the creation of the relationship of partnership or joint venture between said parties.

2. **Manager's Obligations.** Manager shall assume operational responsibility for the Operations as required by the Partnership Agreement and shall perform the following management services on behalf of Flats:

(a) To manage the acquisition, by purchase and/or lease, of heavy duty flat cars and other speciality railcars;

(b) To manage and oversee the Partnership's compliance with that certain operating lease with Citizens Bank Leasing, Inc., of Louisville, Kentucky, dated February 3, 1997 (the "Lease"), to finance the initial acquisition of the railcars and to enter into other future loans or leases as may be needed to finance additional railcars.

(c) To rent, service and lease the railcars to rail carriers and shippers throughout North America.

(d) Provide adequate qualified staff for the Operations. At Manager's option, such staff may be individuals employed by it or its affiliates, or may be independent contractors. Manager shall have full authority to hire and fire such staff.

(e) Purchase necessary equipment, furniture and fixtures for the Operations.

(f) Contract for services with vendors or service providers as necessary for the Operations, including the authority to amend, modify or terminate such contracts.

(g) Perform all accounting, bookkeeping, recordkeeping and, as it relates to the Operations, governmental compliance functions necessary to enable Flats and/or the Partnership to meet the reporting, recordkeeping, and budgetary requirements of all applicable statutes, rules or regulations of all governmental agencies.

3. **Flats's Obligations.** The obligations of Flats shall consist of the following:

(a) To cooperate with Manager in connection with the transition of operational control of the Operations to Manager.

(b) To provide assistance and cooperation in all billing of services for the period in which this Agreement is effective and to pay over to Manager, immediately upon receipt thereof, any payments or reimbursements for such services.

(c) To establish policies affecting the Operations which are not inconsistent with the responsibilities assigned to Manager under the terms of this Agreement.

(d) To play an active role in promoting the good will and public image of the Operations and Manager.

(e) To cooperate with Manager in executing all forms and returns required pursuant to applicable taxing statutes, federal, state and local rules and regulations and governmental reimbursement programs.

4. **Revenues, Costs of Operation and Management Fee.**

(a) All revenues from the operations of, or any interest earned on any deposits or accounts maintained under this Agreement for, the Operations shall be deposited into and paid out of one or more bank accounts established by Manager and Flats (at a financial institution selected by Manager and Flats) for the payment of the following items on a monthly basis in the following order of priority: (i) the Costs of Operation (as defined in Section 4(b) below); (ii) the Management Fee (as defined in Section 4(c) below); and (iii) any outstanding cash advances made by Manager as contemplated herein or hereunder.

(b) The Costs of Operation shall include (i) all costs and expenses incurred in the operation and management of the Operations, including rents under any leases and matters heretofore referred to as Manager's responsibility, including but not limited to any salary, compensation or payments to the employees of the Operations after the date hereof, (ii) all premiums or charges for insurance described in Section 8 hereof and other insurance coverage with respect to the Operations, (iii) all expenses and costs incurred in connection with the purchase of necessary supplies and other necessary supplies supplied by independent contractors, and (iv) any ad valorem taxes payable with respect to any personal property owned by the Partnership for the period this Agreement is effective.

(c) The Management Fee payable to Manager shall be equal to fifty percent (50%) of the amounts received by Flats that are calculated and payable to Flats in its capacity as General Partner in accordance with Sections 9.1 and 10.3 of the Partnership Agreement.

5. **Capital Improvements and Working Capital.** Manager is hereby authorized to incur expenses and liabilities in the ordinary course of rendering the services described herein and to purchase capital items necessary for the Operations. Manager shall be obligated to provide all working capital which it determines in its sole discretion is required and to pay timely all Costs of Operation. Manager shall not be obligated to provide any working capital for the Operations.

6. **Term.** Unless earlier terminated in accordance with Section 7 hereof or further extended as provided herein, this Agreement shall commence effective at 12:01 a.m. local time on January 1, 1997 ("Commencement Date"), and shall extend for a period of one (1) year (the "Term"). The Term will be subject to automatic renewals of one (1) year each unless either party provides written notice of its election to terminate this Agreement at least sixty (60) days prior to the expiration of the then existing Term.

7. **Default, Right to Cure and Termination.**

(a) The following shall be deemed to be an "Event of Default" hereunder:

(i) If Manager fails to maintain and conduct the Operations according to the standards established or imposed by all applicable laws and regulations of any governmental agencies, other than by reason of failure of Flats to comply with its obligations hereunder.

(ii) If any licenses or permits applicable to the Operations are canceled or revoked because either party has failed to perform its obligations hereunder and such party is not, in good faith, diligently pursuing the reinstatement of such licenses or permits.

(iii) If either party becomes insolvent or makes an assignment for the benefit of creditors or commits an act of bankruptcy or files a voluntary petition under the provisions of the United States Bankruptcy Code, including without limitation, a petition for reorganization or arrangement or consents to an involuntary petition or is adjudicated a bankrupt.

(iv) If either party violates, or is in breach of, any material term or condition of this Agreement.

(b) The party with respect to which an Event of Default is not applicable (the "Non-Defaulting Party") may declare this Agreement terminated in the event the other party (the "Defaulting Party") fails to cure the Event of Default within sixty (60) days after written notice from the Non-Defaulting Party, which notice shall specify in sufficient detail the specific circumstances of the Event of Default so as to give the Defaulting Party adequate notice and the opportunity to cure same; provided the Defaulting Party shall not be deemed in default if the Defaulting Party takes reasonable steps to cure the Event of Default within the sixty (60) day period and proceeds with due diligence thereafter to cure the Event of Default.

(c) Upon termination of this Agreement for any reason, any outstanding accrued Management Fee and any advances by Manager pursuant to Section 5 hereof (collectively, "Manager Obligations") shall become immediately due and payable and Manager is authorized to pay such amounts to itself from the accounts maintained by it pursuant to Section 4(a) hereof within five (5) days after submission to Flats of a calculation of such amounts. Notwithstanding anything to the contrary contained herein, in the event Flats determines, in its sole discretion, that Manager is experiencing certain financial difficulties which make its continued performance under this Agreement questionable, Flats shall have the right to terminate this Agreement upon fifteen (15) days prior written notice to Manager.

8. Insurance.

(a) Manager shall use its best efforts to procure for Flats and maintain in full force and effect all insurance coverages required by any applicable requirements of any governmental agency having jurisdiction over the Operations. As reasonably requested from time to time, Manager shall provide Flats written evidence of such coverage. All such insurance to the extent appropriate will name Flats and, to the extent required by any leases, the lessors thereunder as co-insureds. The premiums for all insurance coverage which directly insures the risks of the Operations shall be paid as part of the Costs of Operation. Flats and Manager hereby each waive any right of recovery against the other party for any claims that may be brought for any loss which is covered by fire and extended coverage insurance upon or relating to the cars and the furnishings and equipment therein. This waiver of subrogation shall be valid and binding only in the event it is recognized and accepted by the

fire and hazard insurance companies under policies obtained hereunder. Each party further agrees that its sole source of reimbursement for loss or damage related to risks which are covered by the insurance required to be maintained by Flats by any leases shall be the insurance proceeds of the policies to be provided hereunder and that the other party shall not be liable for any damage or loss in excess of such insurance coverage or reserves for self-insurance.

(b) Manager shall, to the extent financially reasonable in Manager's reasonable discretion, insure itself against normal business risks inherent in its conduct and management of the Operations.

9. **No Termination or Amendment of Leases.** Without Manager's prior written consent, Flats shall not terminate or agree to terminate any leases in which the Partnership is a named party and shall not amend any leases in which the Partnership is a named party or waive any of its rights thereunder or any of the respective obligations of the owners thereunder.

10. **Cooperation at Termination.** Upon the expiration or earlier termination of this Agreement, the parties hereto shall cooperate fully with the other in effecting an orderly transition to avoid any interruption in the rendering of the above-described services and, in that connection, Manager shall surrender to Flats all contracts, books, records and reports maintained by Manager in connection with the management of the Operations.

11. **Indemnification.** Any Defaulting Party shall indemnify and hold the Non-Defaulting Party and the Non-Defaulting Party's shareholders, directors, officers, employees and agents harmless from any and all liabilities, losses, damages, claims, and costs arising from an Event of Default, except for liabilities, losses, damages, claims, and costs arising from the Non-Defaulting Party's gross negligence or willful misconduct.

12. **Litigation or Proceedings on Behalf of Flats.** If any claims or causes of action on behalf of Flats arise with respect to the Operations for the period this Agreement is effective, or if any claims, actions, or other legal proceedings arising from Manager's management of the Operations are filed against Flats, Manager shall have the option, exercisable in its sole discretion, to institute or defend such claims, actions or other legal proceedings in Manager's name or Flats's name, as their respective interests may appear to be claimed, provided that Manager uses good faith efforts to proceed in a manner that is in the parties' respective best interests. Flats hereby constitutes Manager as Flats's attorney-in-fact to prosecute and defend said actions in the name and stead of Flats. The reasonable costs and expenses of prosecuting and defending such claims, actions, and legal proceedings shall be reimbursed to Manager by Flats as Costs of Operation. Flats agrees to provide reasonable assistance to Manager in the prosecution and defense of such actions upon request by Manager. Flats further agrees that Manager shall have the right to select legal counsel to represent the interests of Flats in such claims, actions, and legal proceedings. Manager shall provide Flats with periodic reports regarding the progress of such proceedings. If Manager decides, in its discretion, not to exercise the power of attorney granted hereunder, Manager shall notify Flats promptly of its decision, and Flats shall be fully responsible for the prosecution or defense of all such claims, actions, or legal proceedings, including costs and attorneys' fees except that Manager agrees to provide reasonable assistance to Flats with respect to such matters upon request by Flats.

13. **Parties Bound.** The provisions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns. Except as specifically provided herein, no assignment of rights or delegation of duties shall relieve either party, as the case may be, of its obligations hereunder. Except as specifically provided herein, neither party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other party; provided that a party may assign its rights and delegate its duties to any successor entity in the event of a merger or a sale of substantially all of the party's assets if the successor entity assumes all of the party's obligations hereunder.

14. **Attorneys' Fees.** In the event it becomes necessary for a Non-Defaulting Party to employ counsel to protect its interests, then the Non-Defaulting Party shall be entitled to receive from the Defaulting Party reasonable attorneys' fees for such services, plus all court costs and other expenses reasonably incurred in the enforcement of the obligations of this Agreement, and the Defaulting Party shall be liable for those sums and hereby agrees to pay such sums.

15. **Severability.** In the event any provision hereof shall be modified or held ineffective by any court in any respect, such adjudication shall not invalidate or render ineffective the balance of the provisions of this Agreement.

16. **Entire Agreement; Modification; Waiver.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and completely supersedes all prior oral agreements between the parties. All other agreements with respect to the subject matter hereof between the parties, whether written or oral, are merged herein. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

17. **Execution in Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

18. **Further Assurances.** The parties each hereby agree to execute and deliver all of the agreements, documents, and instruments required to be executed and delivered by them in this Agreement and to execute and deliver such additional instruments and documents and to take such additional actions as may reasonably be required from time to time in order to effectuate the transactions contemplated by this Agreement.

19. **Tense; Captions.** In construing this Agreement, whenever appropriate, the singular tense shall also be deemed to mean the plural, and vice-versa, and the captions contained in this Agreement shall be ignored.

20. **Governing Law.** This Agreement shall be construed, interpreted, and enforced in accordance with the substantive laws of the Commonwealth of Kentucky.

21. **Parties in Interest.** Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than Manager and Flats and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year set forth below.

OPM FLATS, INC., a Kentucky corporation

By: 

Its: 

("Flats")

OPM SERVICES, INC., a Kentucky corporation

By: 

Its: 

("Manager")

FAUSER\BOB\POWERFLAMGMT-OSLD2

AMENDMENT TO MANAGEMENT AGREEMENT

THIS AMENDMENT TO MANAGEMENT AGREEMENT (the "Amendment") is entered into as of the 1st day of January, 1997, by and between **OPM FLATS, INC.**, a Kentucky corporation with principal office and place of business in Louisville, Kentucky ("Flats"), and **OPM SERVICES, INC.**, a Kentucky corporation with principal office and place of business in Louisville, Kentucky (the "Manager").

RECITALS:

Flats and Manager have entered into that certain Management Agreement dated as of January 1, 1997 (the "Management Agreement"), pursuant to which Manager is providing, on behalf of Flats, certain managerial and accounting services. The Manager expects to expend substantial time in the start up of Flats and the first year of Operations, for which Flats desires to additionally compensate Manager. This Amendment is made by the parties hereto for the purpose of amending the Management Agreement as provided herein.

NOW, THEREFORE, in consideration of the covenants, agreements, representations and warranties hereinafter set forth and set forth in the Management Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Defined Terms.** Terms that are capitalized and used as defined terms in this Amendment but that are not defined herein shall have the same meanings herein as are ascribed to them in the Management Agreement.
2. **References to Management Agreement.** From and after the date hereof, all references in the Management Agreement or in any agreement, instrument, certificate or other document contemplated by or made or provided in connection with the Management Agreement shall be construed as referring to the Management Agreements as amended by this Amendment unless otherwise specifically provided or unless the context clearly indicates that such reference was intended to be to the Management Agreement as in effect prior to this Amendment.
3. **Amendment of Section 4.** Section 4 of the Management Agreement is hereby amended in its entirety to read as follows:
4. **Revenues, Costs of Operation and Management Fee.**

(a) All revenues from the operations of, or any interest earned on any deposits or accounts maintained under this Agreement for, the Operations shall be deposited into and paid out of one or more bank accounts established by Manager and Flats (at a financial institution selected by Manager and Flats) for the payment of the following items on a monthly basis in the following order of priority: (i) the Costs of Operation (as defined in Section 4(b) below); (ii) the

Management Fee (as defined in Section 4(c) below); and (iii) any outstanding cash advances made by Manager as contemplated herein or hereunder.

(b) The Costs of Operation shall include (i) all costs and expenses incurred in the operation and management of the Operations, including rents under any leases and matters heretofore referred to as Manager's responsibility, including but not limited to any salary, compensation or payments to the employees of the Operations after the date hereof, (ii) all premiums or charges for insurance described in Section 8 hereof and other insurance coverage with respect to the Operations, (iii) all expenses and costs incurred in connection with the purchase of necessary supplies and other necessary supplies supplied by independent contractors, and (iv) any ad valorem taxes payable with respect to any personal property owned by the Partnership for the period this Agreement is effective.

(c) During the first year of this Agreement, the Management Fee payable to Manager shall be equal to one hundred percent (100%) of the amounts received by Flats that are calculated and payable to Flats in its capacity as General Partner in accordance with Sections 9.1 and 10.3 of the Partnership Agreement. During the second year of this Agreement and thereafter, the Management Fee payable to Manager shall be equal to one-third (33.33%) of the amounts received by Flats that are calculated and payable to Flats in its capacity as General Partner in accordance with Sections 9.1 and 10.3 of the Partnership Agreement.

5. **Effect of Captions.** The captions of sections and subsections of this Amendment have been inserted solely for the convenience of reference and shall not control or affect the meaning or construction of any of the provisions of this Amendment.

6. **No Other Amendment.** Except as specifically provided in this Amendment, the Agreement remains unamended and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed on this 31st day of March, 1997, and effective as of the date first above written.

OPM FLATS, INC.

By: 

Its: Per dot

("Flats")

OPM SERVICES, INC.

By: 

Its: 

("Manager")

Annex C

Form of Supplement to Security Agreement

[ATTACH]

SUPPLEMENT TO SECURITY AGREEMENT

This is a Supplement to Security Agreement dated as of _____, _____ (the "Supplement Agreement"), between:

BANK ONE, KENTUCKY, NA,
a national banking association ("Agent"),
on behalf of itself and Civitas Bank
416 West Jefferson Street
Louisville, Kentucky 40202

and

POWER FLATS, LTD.,
a Kentucky limited partnership ("Borrower")
1000 W. Ormsby Avenue, Suite 120
Louisville, Kentucky 40201

Recitals

A. Borrower and Agent have previously entered into that certain Security Agreement dated as of June 2, 1999 (the "Security Agreement"), pursuant to which, Borrower has pledged its interests in certain Cars, as defined in the Security Agreement, and as the Security Agreement requires when new cars are purchased by the Borrower, the Borrower must enter into a Supplement to Security Agreement.

B. Borrower has purchased ____ () new car(s) ("New Car(s)") as described on Exhibit A attached hereto and desires to supplement the Security Agreement hereby.

NOW, THEREFORE, the parties agree as follows:

1. Effect of Supplement Agreement. Except as amended by this Supplement Agreement, the Security Agreement shall remain in full force and effect. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Security Agreement. The provisions of this Supplement Agreement shall have the same effect as if originally included in the Security Agreement.

2. Annex A. Annex A of the Security Agreement is hereby amended to include the rolling stock number of the New Car(s).

3. Supplemental Filings. Upon execution by the parties hereto, Borrower shall cause this Supplement Agreement to be filed with the United States Surface Transportation Board f/k/a the United States Interstate Commerce Commission ("STB") and cause the STB to acknowledge receipt of such filing. Borrower shall, upon demand, reimburse Agent for any and all

costs, expenses, taxes and/or fees that Agent incurs in connection therewith. Until reimbursement, such costs, expenses, taxes and/or fees shall be a part of the Secured Obligations.

IN WITNESS WHEREOF, Borrower and Agent have executed and delivered this Agreement as of the date set out in the preamble hereto, but actually on the dates set forth below.

BORROWER: POWER FLATS, LTD.,
a Kentucky limited partnership

By: OPM Flats, Inc., a Kentucky corporation, as
general partner

By _____

Name: _____

Date: _____

AGENT: BANK ONE, KENTUCKY, NA,
a national banking association

By _____
Dennis P. Heishman, Senior Vice President

Date: _____

SS:

Signature of Notary Public

(Seal)

SS:

Signature of Notary Public

(Seal)

EXHIBIT A

Annex D

Form of Notice of Assignment to the Car User

NOTICE OF ASSIGNMENT

[DATE]

TO: [NAME OF CAR USER]

You have leased [or describe other use arrangement] certain railcars described on Schedule 1 to this Notice of Assignment (the "Cars") from Power Flats, Ltd. ("Power Flats") and/or OPM Flats, Inc. ("Flats"). Pursuant to a certain Security Agreement, dated as of April 30, 1999 between Bank One, Kentucky, NA, as Agent for itself and Civitas Bank ("Bank One"), Bank One holds a perfected security interest in the Cars.

Notwithstanding any provision in any agreement between and/or among you, Power Flats, and/or Flats, all payments you currently make to Power Flats and/or Flats on and/or with respect to the Cars should now be made payable to the order of Bank One, Kentucky, NA and sent to the following address:

Bank One, Kentucky, NA
416 W. Jefferson Street
Louisville, Kentucky 40202
Attention: Dennis P. Heishman, Senior Vice President

This Notice shall continue in effect until Bank One provides you further notice.

Very truly yours,

OPM

[POWER FLATS, LTD. AND/OR
FLATS, LTD.]

By

Name:

Title:

SCHEDULE 1